

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

CASE NO.: 4:19CV420 – WS/CAS

v.

CAMBRIDGE CAPITAL GROUP ADVISORS, LLC  
(fka. CAMBRIDGE CAPITAL ADVISORS, LLC),  
PHILLIP TIMOTHY HOWARD, and  
DON WARNER REINHARD,

Defendant.

LEGAL MAIL  
PROVIDED TO LAWTEY C.I.  
DATE 10/8/19 FOR MAILING  
OFFICER'S INITIALS [Signature]

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MOTION TO DISMISS WITH PREJUDICE

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COMES NOW, Defendant Don W. Reinhard, acting as pro se, and respectfully files this Motion To Dismiss With Prejudice pursuant to Rules 12(b)(6) and 12(b)(7), Federal Rules of Civil Procedure, and in good cause and support thereof states as follows.

**MOTION TO DISMISS DEFENDANT DON W. REINHARD PURSUANT TO RULE 12(b)(6),  
FEDERAL RULE OF CIVIL PROCEDURE**

**AS TO ALLEGED COUNTS I THROUGH X :**

1. Pursuant to Rule 12(b)(6), plaintiff fails to state a claim upon which relief can be granted against Defendant Don W. Reinhard (Reinhard).
2. Counts I through X allege activity that would require Reinhard to have the authority to make decisions regarding the disclosures made by Cambridge Capital Advisors LLC (CCA) in the respective Private Placement Memorandums produced for Cambridge Capital Partners, LP (CCP) and Cambridge Capital Group Equity Options Opportunities, LP (EOO) as well as other disclosures and marketing material provided to prospective limited partners/clients.
3. Plaintiff acknowledges that Reinhard did not have any such required authority by acknowledging in paragraphs 35 and 36 that Reinhard was not a shareholder, executive officer, or director of any Cambridge entity and only a "non employee" independent contractor hired to strictly advise and consult. This role certainly does not constitute the required authority to validate the alleged cause of action against Reinhard.
4. Reinhard acted in this capacity to only handle the operational aspects of CCP's and EOO's lending activities and plaintiff is well aware of this fact as Reinhard clearly detailed in his under oath statements to plaintiff in July 2018.
5. Plaintiff has not provided any supporting evidence or documentation to prove otherwise.

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Plaintiff simply makes “empty” allegations to “create” a cause of action against Reinhard without any supporting evidence.

6. Plaintiff further acknowledges in paragraphs 47 and 48 that Defendant Phillip Timothy Howard (Howard), president of CCA, and not Reinhard, authored all disclosures regarding Reinhard. Only these disclosures as authorized by Howard were provided to potential clients and limited partners of CCP and EOO when instructed by Howard.
7. Therefore, Reinhard only handled bookkeeping activities and did not have any of the required decision making authority alleged and required in Counts I through X. However, plaintiff has chosen in it's complaint to assume otherwise with “empty” and unsupported allegations in order to “create” a cause of action against Reinhard.
8. Counts I through X also allege activity that would require Reinhard to have the authority to not only solicit clients to invest in CCP and EOO, but also then invest the limited partner's contributed funds.
9. Again, plaintiff acknowledges in paragraphs 35 and 36 that Reinhard was not a shareholder, executive officer, or director of any Cambridge entity and only a “non” employee” independent contractor hired to strictly advise and consult. Reinhard acted in this capacity to only handle the operational aspects of CCP's and EOO's lending activities and plaintiff does not provide any supporting evidence or documentation to prove otherwise. Plaintiff simply makes “empty” allegations to “create” a cause of action against Reinhard.
10. Additionally, plaintiff makes it clear in paragraphs 46 and 51 that limited partner JH (Joe Horn) and CF (Corey Fuller) and his wife were both solicited by Howard as president of CCA and their respective attorney and not Reinhard.
11. Plaintiff acknowledges that Reinhard only communicated with JH, CF, and CF's wife after they had been solicited by Howard. Reinhard had to become involved at that time to handle the “operational” process of establishing their respective limited partner account and any lending activities needed as instructed by Howard, as president of CCA and JH's and CF's respective attorney.
12. This operational activity by Reinhard as a “non employee” independent contractor does not constitute soliciting clients as alleged in Counts I through X and again, plaintiff acknowledges that they were solicited by Howard and not Reinhard.
13. Additionally, Reinhard only followed Howard's instructions as president of CCA in creating and completing the necessary and required lending and litigation settlement contracts. Howard reviewed each contract and approved and authorized funding of each contract as acknowledged by signature as president of CCA. Plaintiff has alleged otherwise but does not provide any supporting evidence or documentation to support their allegation of a cause of action.
14. As a “non employee” independent contractor hired to only advise and consult while handling the operational aspects of CCP's and EOO's lending activities, Reinhard did not have any authority to sign or bind any Cambridge entities to any agreement. Plaintiff cannot simply assume otherwise to “create” a cause of action.
15. As a “non employee” independent contractor hired to only advise and consult while handling the operational aspects of CCP's and EOO's lending activities, Reinhard was required to communicate with some of CCP's and EOO's limited partners regarding their accounts and their litigation settlement advances as well as the numerous “non limited partner” settlement advances.
16. However, this communication was only done in the scope of operations and bookkeeping requirements and was authorized by Howard, as president of CCA.
17. Plaintiff does not provide any evidence or documentation to prove otherwise and it does not make Reinhard an “advisor affiliate” per plaintiff's definition provided in paragraph 101.
18. In Counts I through X, plaintiff has intentionally fraudulently alleged in paragraphs 73, 74, 75,

and 112 “ill-gotten” gains paid to CCA from disclosed lending brokerage fees that plaintiff states were paid by the limited partners (investors) to CCA when CCA clearly disclosed in its respective PPMs to all potential limited partners that the disclosed fees would be paid to CCA by the “borrowers” or “loan recipients”. This is a flagrant and fraudulent misstatement by the plaintiff in to mislead this court to “create a cause of action”.

19. Plaintiff knows or should know that the hundreds of loan documents created, completed, and authorized by Howard, as president of CCA, on behalf of the limited partners of CCP and EOO discloses on the front page of each contract that the loan recipients, ie. the borrower, would pay the required brokerage fee from their loan proceeds at closing, the common contractual process of all lending activities. This activity was closely monitored and scrutinized by Howard throughout the operational tenure of Reinhard.
20. Any reasonably intelligent person would easily be able to determine that the loan recipients were paying the required and disclosed brokerage fee from their loan proceeds and that it was not being paid by the lenders, ie. the investors. This fraudulent allegation by the plaintiff is clear motive that the plaintiff is simply alleging “empty” allegations to “create” a cause of action.
21. Nevertheless, plaintiff does not provide any documented evidence that Reinhard participated in any “ill-gotten” gains as Reinhard to date has only received his agreed upon weekly pay for his operational work for CCP and EOO for the time of his active tenure with Cambridge from mid July 2015 to February 2017 which is well documented by Cambridge based upon filed year end 1099s. This total pay approximates \$58,000.00 or average hourly rate of about \$12.50. Additional contractual payments have not been paid.

#### **AS TO ALLEGED COUNT XII :**

22. As the plaintiff acknowledges in paragraph 101 of their complaint, an “advisory affiliate” is defined as : any current employee, any officer, partner, or director, or any person performing similar functions or any person directly or indirectly controlling the filing entity.
23. Plaintiff also acknowledged in paragraphs 35 and 36 that Reinhard was not an employee, an officer, partner, or director, and has not provided any evidence that Reinhard had any authority to act as an officer, partner, or director, or as someone who had control of any Cambridge entity. In fact, it is well established and acknowledged by the plaintiff that Reinhard was simply a non employee independent contractor hired to advise, consult, and handle the operational bookkeeping requirements of CCP and EOO.
24. Once again, as stated in paragraphs 11, 12, and 92, plaintiff simply “assumes” otherwise without any supporting evidence or documentation by stating that Reinhard was an associated person so they can “create” a cause of action against Reinhard.
25. Furthermore, Reinhard fully relied on Howard, as president of CCA and an attorney representing CCA and all Cambridge entities as well as Reinhard, to fully review Reinhard's past legal situation and possible limitations to his planned operational responsibilities with CCP and EOO to insure there would not be any violations of past sanctions.
26. Howard was solely responsible for making this determination and Reinhard had the reasonable “right” to rely in his professional and legal due diligence and decision as president of CCA and a practicing attorney.
27. Plaintiff acknowledges in paragraphs 10, 99, 104, and 106 that Howard made his professional and legal determination because he made multiple disclosure statements with plaintiff which stated that there were not any “affiliates” of Cambridge that had plead guilty to a felony or been enjoined by a domestic court in connection with any investment – related activity. Howard made these disclosures because his review resulted in determining that Reinhard was NOT acting in the capacity of an “advisor affiliate” with Cambridge.

28. Again, Reinhard had the reasonable "right" to rely on Howard's professional and legal determination as president of Cambridge and a practicing attorney.
29. This is also the primary reason that Reinhard did not have any authority to act outside of the operational and bookkeeping duties he handles for CCP and EOO and the plaintiff has not provided any evidence or documentation that he did so.

**MOTION TO DISMISS PLAINTIFF'S COMPLAINT PURSUANT TO RULE 12(b)(7) AND RULE 19(a)(1)(A)**

30. It is apparent that plaintiff has filed their complaint on behalf of at least three of the limited partners in CCP and EOO, ie. JH, CF, and CF's wife, who are concerned about their current status of their investments accounts as Reinhard understands that they, as well as other limited partners, have not received any account statements, valuation reports, audit reports, or documentation as to the performance or status of their investment assets since his departure in February 2017. Limited partners did receive account reports as of December 31, 2016.
31. Due to the fact that Reinhard has not had any involvement with any Cambridge entity since February 2017 (over 31 months ago) and Howard reportedly vacated his position as president of CCA and all relevant Cambridge entities in March 2017 when Lois Koons became president and a managing director along with Gail Milon and sold CCA and all Cambridge entities to Adyss Walker, this case must be dismissed pursuant to Rule 19(a)(1)(A), Federal Rules of Civil Procedure, if these indispensable parties are not enjoined because this court cannot fairly accord complete relief among existing defendants.
32. This requirement is further supported by the fact that plaintiff has made allegation regarding the repayment of the well documented mortgage to Howard during the Cambridge management tenure of Koons, Milon, and Walker.
33. Since March 2017, CCA and all Cambridge entities have been exclusively managed by Koons, Milon, and Walker with Howard's reported continued involvement.
34. Plaintiff's exclusion of these indispensable parties further underscores the frivolousness of the lawsuit.

WHEREFORE, Defendant Don W. Reinhard respectfully requests that this Honorable Court not only dismiss him as a defendant with prejudice but also require plaintiff to either enjoin the indispensable parties of Lois Koons, Gail Milon, and Adyss Walker or dismiss plaintiff's complaint for the reasons provided.

Respectfully Submitted,

  
Don W. Reinhard

10/9/19  
Date

JACKSONVILLE

FL 320

Mailed OCT 11 2019  
A State Prison  
Correctional Facility



OCT 11 2019

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